Oregon Association of Hospitals and Health Systems

September 8, 2010

Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: WC Docket No. 02-60, Rural Health Care Support Mechanism

Dear Chairman Genachowski,

On behalf of Oregon's 58 hospitals, the Oregon Association of Hospitals and Health Systems would like to thank you for the opportunity to comment on the Notice of Proposed Rulemaking regarding the Federal Communications Commission's (FCC) *Rural Health Care Support Mechanism* issued July 15.

The Oregon Association of Hospitals and Health Systems (OAHHS) strongly supports the Commission's efforts to offer financial support for telecommunications services necessary to expand health care services into rural areas. Oregon in 2007 was the fortunate recipient of $20.2 million Federal Communications Commission grant issued as part of the Rural Healthcare Pilot Program. We are extremely pleased with the progress of the organization founded to carry out the duties associated with this grant, the Oregon Health Network. Nearly 90 provider sites have signed vendor contracts under Oregon's Rural Healthcare Pilot Program, 50 have received funding commitment letters, and 31 are actively being monitored 24/7 by the Oregon Health Network's network operations center.

Given our early success in Oregon, are concerned that the proposed rule's move to increase provider cost sharing from 15 percent to 20 percent will make it more difficult for cash-strapped providers to access services under the Rural Healthcare Pilot Program. Hiking provider cost sharing 25 percent creates an unnecessary barrier to entry at a time when getting hospitals and providers connected to broadband is critical. Hospitals and providers must achieve "meaningful use" of electronic health records by 2015 or face Medicare payment penalties and miss out on federal incentive payments; they must have access to broadband to achieve this goal.

We urge the Commission to simplify the eligibility and application processes used to award the available funds for broadband access. There is evidence that the program that is administratively burdensome to the point that it discourages uptake; in 2009 only $60.7 million was spent of the $400 million available for the Rural Health Care Pilot Program and the Rural Health Care Internet Access Program. The structuring and management of communications services are not primary disciplines for health care facilities. Funding programs must, therefore, avoid complex application processes and provide support for administrative, consulting and legal expenses incurred in the management of the supported projects.

The HITECH provisions of the American Recovery and Reinvestment Act created new incentives and programs to expand the electronic exchange of health information among authorized providers, both inside and outside state lines. Given this development, we ask the FCC to take a fresh look what kind of health care providers are eligible for its broadband access programs. We recommend that going forward you permit subsidies for all Rural Health Centers that serve patients regardless of insurance status. More than 50

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percent of Oregon's rural health center designated clinics are technically for-profit, but most struggle to keep their doors open and are in desperate need of a subsidy for telecommunications infrastructure. Hospitals and clinics must be able to exchange information electronically with providers like these in order for patient and society to reap the benefits of robust health information exchange, which include better quality care and cost savings from elimination of duplicated medical services.

Below is a summary list of all changes we would like to see to the proposed rule. Thank you for considering our proposed input.

1. Modify section 54.569 to permit subsidy for leased network capacity (including operating leases) provided that the telecommunications vendors contractually guarantee that the leased capacity will continue to be available for at least 10 years.
2. Modify section 54.654 to permit subsidy for administrative expenses and maintenance costs for Network Operations Centers in multi-vendor networks.
3. Prioritize funding for projects that build on and coordinate with RHCPP-funded networks and for projects that demonstrate their knowledge of and coordination with related federal programs.
4. Set the subsidy level for the Health Broadband Services Program at 85%.
5. Permit subsidy for all Rural Health Centers that serve everyone regardless of insurance status.
6. Permit full subsidy for all eligible providers in a mixed-use facility when eligible provider provides 90% or more of the health care services.
7. Include Health Information Exchanges (HIEs) and Health Information Organizations (HIOs) in the list of non-profit and governmental organizations eligible for subsidy.
8. Include Regional Extension Centers (RECs) in the list of non-profit and governmental organizations eligible for subsidy.
9. Permit subsidy for data centers that provide services to multiple eligible clinics, just as for off-site eligible hospital data centers.
10. Continue to subsidize the connection of urban hospitals to networks serving rural clinics.
11. Expand the definition of rural to include all non-metropolitan locations, and consider the definition adopted by Oregon's Office of Rural Health, namely locations outside communities with a population of 40,000 or more.
12. Eligibility for subsidy should not be denied based on information (or lack of information) from unofficial sources.
13. Permit electronic signatures and electronic document submission throughout the process of administering the rural healthcare subsidy programs.
14. Permit electronic administrative linkage into FCC/USAC project tracking systems when funding recipients have compatible systems to reduce the errors and avoidable costs that result when data from one system has to be manually re-entered into a different system.
15. Support web-based electronic survey and reporting tools

Sincerely,

Robin Moody
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